



*A report by:*

THE JOINT LEGISLATIVE STAFF  
TASK FORCE ON GOVERNMENT OVERSIGHT

*Prepared for:*

SENATOR STEVE PEACE, CHAIR  
JOINT TASK FORCE ON PERSONAL INFORMATION & PRIVACY

# HOW DMV POLICIES PROMOTE DRIVER'S LICENSE FRAUD

"The California legislature has declared  
the California driver license and ID card  
as the primary identification documents  
in this state."

—Department of Motor Vehicles Website

## FOR SALE

Real CA Driver's Licenses, any  
name, age, sex; \$1,400/obo.

*April 1998*

## **EXECUTIVE SUMMARY**

Some Department of Motor Vehicle (DMV) policies make it easy for people to illegally obtain a California driver's license (CDL). According to DMV officials, these policies have been implemented to reduce agency costs and shorten waiting lines. Although the department intends to end a few of these policies over the next year as it phases in the issuance of "tamper-proof" licenses produced by the Polaroid Corporation, many of the system's current weaknesses will remain.

State and federal laws as well as standard business practices have forced the CDL to be much more than a requirement for driving a vehicle. The CDL is a Californian's most important personal identification document and, as such, it gives the holder access to a United States passport, a Social Security card, employment opportunities and the ability to write checks for purchases. Authorities use the CDL to fight illegal immigration and to track down people who owe court-ordered child support payments. While the CDL system functions well in terms of regulating the motoring public in California, it is also used as a means to commit fraud and/or evade detection by law enforcement for crimes unrelated to driving.

Most entities, both government and private, simply assume that the information on driver's licenses is correct and, therefore, that licenses are acceptable as identification. In fact, the DMV stated in a 1983 court case<sup>1</sup> that driver's licenses are the state's basic form of identification and that their reliability should extend beyond traffic beyond traffic safety concerns. However, the ease with which anyone can obtain a driver's license is at odds with the DMV's assertion that it is reliable as a form of identification.

This report outlines and evaluates the current DMV policies and practices with respect to obtaining a driver's license in California and points out some of the resultant problems these policies are fostering and promoting.

---

<sup>1</sup> *Perkey v. California Department of Motor Vehicles*, 197 Cal Rptr 516 (Cal App 3 Dist, 1983)

## FINDINGS

- An applicant for a new license or renewal is allowed to have a fictitious name appear on the license. For example, the name on a person's birth certificate -- source document required for initial issuance of a license -- may differ from the name the applicant wishes to have on the license. This policy is the reason why five Santa Clauses have been licensed to drive in California. No other state allows fictitious names to be used on driving licenses unless the name change can be documented (marriage license or court order), according to the National Conference of State Legislatures. A spokesperson for the American Association of Motor Vehicle Administrators says DMV's fictitious name policy "opens the door to fraud."
- Although Social Security numbers must be entered on an application, these numbers are not verified for authenticity. DMV estimates that the bogus Social Security number rate is about 5 percent -- this rate translates into 70,000 bogus numbers on license applications each year. One DMV official put the bogus number population at 200,000 per year. In August 1997, DMV indicated that it was a few months away from linking up with the Social Security Administration to verify numbers. The DMV now admits that the linkage will occur no sooner than December 1998 -- and some state officials believe a verification system will not be in place until after the year 2000. Most states require license applicants to supply a Social Security card, or a letter from the Social Security Administration attesting to the person's number - California does neither.
- From January 1996 through March 1998, the DMV fired 51 employees for their involvement in CDL fraud while another 27 were fired for other violations of DMV procedures. DMV has filed charges against each employee, but in the majority of cases the district attorney of jurisdiction has not prosecuted. In the past two years a total of 159 employees, including those fired, have been subject to disciplinary actions for violations of DMV procedures. Department investigators say an intensive two-year internal sweep of illegal activities has been successful, however, the "smart ones" have not yet been caught. **DMV does not conduct criminal background checks on employees and job applicants who are either in positions or could be in positions similar to those held by the terminated DMV workers.**
- The majority of CDLs are issued to people who provide the DMV with a certified copies of their birth certificates. However, California is an "open record state" where anyone may obtain a certified copy of another person's birth certificate. DMV investigators say counter workers need more training to recognize suspect birth certificates. The ease with which a birth certificate may be obtained coupled with DMV's acceptance of the birth certificate as a source document has enabled dishonest people to get a CDL in someone else's name. The Social Security Administration will not accept a birth certificate as proof of identification for a replacement Social Security card, but it does accept a CDL. Therefore, the CDL opens doors to other important personal documents.
- By the end of the year the DMV intends to revamp some of its counter policies which, in the past, have provided "ringers" with an opportunity to obtain CDLs from field offices. "Ringers," also known as substitute test-takers, use fake documents to obtain an instructional permit. The DMV does not photograph or thumbprint a license applicant until the written, vision and driving tests have been passed. The ringer passes all the tests, then sells the "permit package" to a "client" who, in turn, goes to a DMV office to be photographed and thumbprinted. DMV allows a license applicant to take a test at one field office and to have the photo and thumbprint taken at another office -- this policy helps insure that ringers and their clients are not spotted by the same counter worker. **Under a new contract with the Polaroid Corporation, a thumbprint and photo image of the license applicant will be taken at the beginning of the process, thus, DMV hopes, putting ringers out of business.**
- A person may obtain a replacement CDL by paying \$12, supplying a birth certificate and signing an application under penalty of perjury. In an effort to save money, DMV does not retain the replacement

application which DMV investigators contend would be helpful in the prosecution of a person who has committed license fraud.

- DMV investigators say people fraudulently obtain CDLs to commit financial fraud; to establish residency (illegal immigrants); to create a new identity unknown to authorities (registered sex offenders and parolees); to purchase alcohol (underage drinkers), and to regain revoked driving privileges.
- The DMV argues that it is not “the name police” and does not want to get into the business of investigating reasons why someone wants a name on a driver’s license that differs from the name on file. The DMV assumes, for example, that most name changes are triggered by a change in marital status. The department, however, allows both a first and last name to differ from the name that might appear, for example, on a birth certificate. DMV notes that its data base used by law enforcement contains the driver’s name as it appeared on the original source document; however, retailers and employers generally do not have access to the data base. Regardless of what name appears on a license, the license number itself is not subject to change; thus, the license number, not the name on the license, is a “universal identifier”. The DMV supports its fictitious name policy.

### **RECOMMENDATION**

A legislative hearing should be held to allow DMV and consumer fraud experts to present testimony on the extent to which DMV licensing procedures fail to stop perpetrators of fraud. Specific issues should include the use of fictitious names on CDLs; requiring Social Security cards to be presented with a license application; ways to prevent fraudulent use of birth certificates; and conducting background checks on DMV employees.

## **INTRODUCTION**

The CDL's reliability as an accurate personal identifier is under attack by underage drinkers, illegal immigrants, financial con artists, including identity thieves, as well as people who want new identities (registered sex offenders and parolees). DMV also reports that motorists with DUI convictions and/or suspended or revoked licenses are in the market for "fresh" licenses in order to continue driving.

There are a number of ways in which the current system promotes fraud. Many of the weaknesses in the system are due to an effort on the part of the DMV to "shorten lines" by spending less time checking documents and records or verifying information on applications. DMV supports its current policies, noting that increased oversight of license applications will serve only to increase the time and money that Californians must spend at DMV offices. DMV licensing procedures appear adequate for use in "policing" drivers, but they undermine the license's reliability as a universal identification document. DMV argues that the license is not intended to be a foolproof identification document, yet the DMV website<sup>2</sup> contains section entitled "Why Is DMV So Careful About Identification?" in which DMV states:

"It is critical that ID documents and systems be completely authenticated and accurate in order to positively and uniquely identify each individual."

Besides not verifying basic information, DMV also allows anyone to have a driver's license issued in a fictitious name for any or no reason, but does not state that the name is fictitious on the license itself.

Another one of DMV's user-friendly policies is that of allowing applicants to go any DMV office for any part of the licensing process. This has opened the door to "ringers" – people who pose as an applicant through the process until the actual time the license itself is acquired.

And, finally, the integrity of the CDL has been severely compromised by DMV's own employees, who have been involved in the fraudulent issuance of licenses. Since January 1996, the department has fired 51 employees for CDL fraud and another 27 for other violations of DMV procedures. Internal investigations continue as the total number of disciplined employees, including those terminated, is 159 over the past two years.

---

<sup>2</sup> [http://www.dmv.ca.gov/brochures/fast\\_facts/ffd105.htm](http://www.dmv.ca.gov/brochures/fast_facts/ffd105.htm)

## **RINGERS**

DMV investigators say there are loopholes, some beyond DMV's control, that allow the CDL system to be used for fraudulent purposes. These loopholes are used by people politely called "substitute test-takers" by DMV spokespersons; DMV investigators call these people "ringers." The typical ringer operates in one of two modes:

**#1** The ringer, using either a fake birth certificate, or another person's certified birth certificate, obtains an instructional driving permit from a DMV clerk. The ringer subsequently passes the written and vision tests, and schedules the driving test for a later date. After the driving test is passed, the ringer explains that he does not have time for the final part of the licensing process; i.e; a photo and a thumbprint. The ringer then sells the permit package to a person in need. The person in need takes the permit package to a DMV office different from the one used by the ringer and there at that office, the person in need is photographed and thumbprinted. A few weeks later DMV mails an official CDL to the person in need.

**#2** The ringer searches trash cans for canceled personal checks containing an individual's driver's license number. After the appropriate checks are located, the ringer obtains the check owner's birth certificate. Next the ringer goes to a DMV field office where he explains that he has lost his CDL. The ringer, armed with someone else's CDL number, signs, under penalty of perjury, the DMV application for a duplicate CDL. The ringer also asks that his replacement license be mailed to his new address. A few weeks later the DMV mails an official CDL to the ringer.

DMV allows applicants to begin the licensing process at one field office and conclude it at another. This "any field office" policy is the result of computerization which gives every field office access to an applicant's records. But this "customer friendly" policy also insures that DMV workers who unknowingly help a ringer at one office will not be involved in a ringer-initiated application completed at a different field office. DMV investigators say that if photos and thumbprints were taken before a permit was issued, a ringer would be less likely to sell permit packages to other individuals because the ringer's photo would be on file.

By the end of 1998, DMV hopes to revamp its CDL system through a new contract with the Polaroid Corporation. Key planned features include a "tamper-proof license"; a photo image database that may be accessed by law enforcement on a 24-hour, seven days per week basis; and instant photo images of license applicants and a photo image receipt to help DMV identify an applicant as he or she moves through the process. Other procedural changes include taking an applicant's photo and thumbprint at the beginning of the process rather than at the end. DMV believes that this system, when in place, will help put ringers out of business.

## **BIRTH CERTIFICATES AS PROOF OF IDENTITY**

To obtain an original California driver's license or ID card, an applicant must provide the following identification:

- birth verification/legal presence document
- Social Security number

The DMV requires a certified copy of a birth certificate. To get a certified copy of a birth certificate in California, one simply goes to the appropriate county recorder's office, gives the counter person the name of the birth certificate he or she wants, and pays a fee (in Sacramento the fee is \$18.00). No identification is required to obtain a birth certificate; any person can obtain a certified copy of any other person's birth certificate because California is an "open record state" and birth certificates are considered public records to which anyone is entitled.

Since a birth certificate is the only identity document required by the DMV, it is fairly easy to have an original license issued in someone else's name. (The other identity information required on a CDL application is a Social Security number – Social Security numbers are discussed in the following section.)

One of the most important issues regarding identity information required by the DMV is that other public agencies and the private sector often rely on the driver's license as the sole proof of identity. In a conversation with Task Force staff, a representative in the Passport Field Operations Office in Washington D.C. stated that the Passport Office considers that a driver's license "can stand alone" as proof of identity for passport applications because "most states require other forms of ID" when issuing a driver's license, and because the information on a license is periodically updated – California would appear to fall short of Passport Office standards.

A majority of states have open record laws that allow anyone to freely obtain someone's birth certificate. Texas, a closed state, requires requestors of a birth certificate to present a copy of a driver's license, or a letter stating that the birth certificate is needed for a specific purpose such as researching family history. In brief, closed records may be opened by practically anyone. California county record officials argue that proving need, or presenting identification at the counter would not curtail the activities of people who want other people's birth certificates to help them commit a crime.

Some states require a license applicant to present a secondary identification document along with the birth certificate – in California only a birth certificate need be presented to obtain a license. Examples of secondary documents include a vehicle title (not vehicle registration); gun permit; pilot's license; marriage license; IRS tax form; or a health insurance card.

## **BOGUS SOCIAL SECURITY NUMBERS**

The DMV does not verify the authenticity of Social Security numbers supplied by applicants for the most common driver's license – the Basic Class "C." The applicant simply writes down a number – a Social Security card does not have to be presented. Many states require applicants to present their Social Security cards or, in the alternative, a pay stub or a W2 form, to prove that the Social Security number is issued in the name of the applicant.<sup>3</sup> With the exception of Massachusetts, these states do not currently verify the numbers with the Social Security Administration (SSA). It should be noted that the California DMV does verify Social Security numbers on applications for commercial drivers' licenses.

In a May 1997 Task Force interview, Roger Kramer, then-deputy director of DMV's Office of Investigations and Audits, said that as many as 200,000 licenses issued annually may contain bogus Social Security numbers. The 200,000 figure later became subject of testimony at a July 7, 1997, hearing of the Joint Task Force on Personal Information and Privacy, chaired by State Senator Steve Peace.

In an August 11, 1997, letter to Assemblyman Scott Wildman, chair of the Joint Legislative Audit Committee, DMV Director Sally Reed stated that a 1995 sample run of 60,000 randomly selected California drivers' licenses by the SSA produced an accuracy rate of 93 percent to 97 percent. If the error rate were about five percent, as Reed's letter suggests, then there are approximately 70,000 new applications filed each year with bogus Social Security numbers. (DMV estimates that it issues 1.4 million new license numbers annually.)

David Lewis, director of Management Information Systems, Massachusetts DMV, says that his agency has verified Social Security numbers on a daily basis by sending data batches to the SSA. The error rate, he says, was less than one percent. Currently, Massachusetts is in the midst of setting up an electronic verification system with the SSA and, therefore, the daily batch run has been suspended.

In August 1997, the DMV estimated that it would be linked up with the SSA computer system by March 1998. But in a February 23, 1998, memo to the Task Force, the start-up date was moved to December 1998. DMV is seeking a "memo of understanding" with the SSA to allow DMV to hook up with the Department of Health Services (DHS) which is currently linked to the SSA computer system for the purpose of verifying the income of Medi-Cal applicants. DHS representatives consider DMV's December 1998 date "wishful thinking" because the department is contending with the year 2000 problem and with a new SSA requirement that has DHS revamping its current computer system so that it will be an "on-line real-time verification system." DHS says that the DMV project is "at least two years down the road." DMV still believes it will be set up with the SSA by the end of this year.

If and when DMV is linked with the SSA, it intends to do the following regarding the validity of Social Security numbers:

---

<sup>3</sup> See Appendix A



- verify all 22 million drivers' licenses in the DMV within four months of implementation; and
- verify all new application numbers at field office within 48 hours – about 1.4 million checks per year.

DMV says it will not issue a new license or renew an existing one to any person with a bogus Social Security number on file. License holders will be given an opportunity to produce a correct number. The drivers with bogus numbers in the 1995 sample run by the SSA were never contacted by the DMV for the purpose of producing correct numbers.

It is possible that many bogus numbers are the result of a person writing in the wrong number or a DMV employee keypunching in the wrong number. Other reasons for supplying a bogus number could include avoiding detection by tax authorities or creating a new identity.

DMV investigators do have the capability of faxing suspicious Social Security numbers on a case-by-case basis to the SSA which usually responds within 24 hours.

### **DMV'S POLICY OF ACCEPTING FICTITIOUS NAMES**

As in other states, a California driver's license is accepted as a standard form of identification for a variety of transactions, including cashing a check, renting equipment, or applying for a replacement Social Security card. But unlike other states, California allows a driver's license to be issued with a fictitious name. Although the DMV does not track the number of licenses issued to people using fictitious names, it admits there are "hundreds of thousands" on file.<sup>4</sup>

A spokesperson for the American Association of Motor Vehicle Administrators says that unrestricted use of fictitious names on drivers' licenses "just opens the door to fraud."<sup>5</sup> Fraud investigators for local district attorneys are troubled by the fictitious name practice, but they say there have been no studies done to categorize how often assumed names on drivers' licenses are connected with crimes such as identity theft. But the fact that anyone can carry a license with a fictitious name is bothersome to these investigators.

"Phony information on a California driver's license is a real problem, particularly for retailers who rely on the driver's license as proper identification when extending instant credit to a customer," so states Tom Papageorge, Director of the Consumer Protection Division for the County of Los Angeles.

In at least some cases the DMV policy has allowed California drivers to have good spirited fun as demonstrated by the five licensed drivers who go by the name *Santa Claus* -- the name on file for four of these drivers is not *Santa Claus*. DMV also informed the Task Force that there is a driver listed as "Me" but who has "a more 'standard' name" on file.

It is easy to have a fictitious name put on a California driver's license. The form for a name change is the same form used by applicants for a driver's license. The cost of changing a name to a fictitious name is \$12. A person may request a fictitious name on an application for a driver's license as long as the person's

---

<sup>4</sup> Telephone interview with Bill Cather, Legislative Liaison, DMV, January 6, 1998

<sup>5</sup> Telephone interview with Bret Robinson, American Association of Motor Vehicle Administrators, February 12, 1998

legal name is also on the application. **Any name will be accepted, provided that DMV believes the applicant is not changing his/her name with the intent to commit fraud.**

The applicant for a name change must sign his/her application attesting, under penalty of perjury, that the information on the application is correct. However, the DMV advises that it “has never been required” to verify that the applicant has legally changed his/her name.<sup>6</sup> It also appears no effort is made to verify that the person listed in the source document (i.e., birth certificate, etc.) is actually the applicant.

When an applicant files an initial application for a driver’s license and presents a source document, DMV personnel make a notation as to what type of document (birth certificate, INS document, etc.) was presented, but this source document is used only to verify the birthdate and legal presence status. If the name on the source document differs from the name on the application, DMV personnel record the name from the source document as an “also known as” and issue the license under the name listed on the application. DMV estimates that since March 1994, about 50 to 55 percent of the source documents have been birth certificates. It should be pointed out that the Social Security Administration will accept a birth certificate as proof of identification for a person applying for an original Social Security card, but not for a replacement card.

The DMV has also acknowledged that it **has no formal procedure to determine whether or not the applicant is requesting a fictitious name in order to commit fraud.**<sup>7</sup>

When the DMV issues a license under a fictitious name, there is no indication on the license itself that a fictitious name is being used. However, the person’s “true full name” is cross-referenced in DMV’s records. This cross-referencing results in hundreds of thousands of data entries into a computer system that is already overloaded and outdated. The DMV’s computer problems have been well publicized.

To further test the ease at which name changes may be made, a member of the Task Force filled out an application with the help of a DMV representative. Following the DMV representative’s instructions, a fictitious name was inserted in the space marked TRUE FULL NAME. The Task Force member’s legal name was inserted in the blank space under HAVE YOU EVER APPLIED FOR A DRIVER LICENSE OR ID CARD UNDER A DIFFERENT NAME(S). **No identification or documentation is required, and photos and thumbprints are not compared.** (To actually obtain a license under the fictitious name, the Task Force member would have signed the perjury statement and submitted the application with the \$12 fee.)

### How other states handle fictitious names

The National Conference of State Legislatures and the American Association of Motor Vehicle Administrators (AAMVA) have both stated they are not aware of any state that allows the use of fictitious names on drivers’ licenses.<sup>8</sup>

A nationwide computer search of state statutes identified 35 states having language relating to the use of false or fictitious names on drivers’ licenses. All 35 states declare it is illegal or unlawful to use a false or fictitious name in any application for a driver’s license. In fact, the language used by 33 of those states is almost identical to California’s *Vehicle Code, Section 12809*, which states:

“The department may refuse to issue or renew a driver’s license to any person ...

(d) If the department determines that the person has knowingly used a false or fictitious name in any application for a license ...” [emphasis added]

---

<sup>6</sup> Telephone interview with Bill Cather, January 6, 1998

<sup>7</sup> Telephone interview with Bill Cather, February 5, 1998

<sup>8</sup> Telephone interviews with Jim Reed, National Conference of State Legislatures, Denver, Colorado (February 11, 1998); and Bret Robinson, American Association of Motor Vehicle Administrators, Arlington, Virginia (February 12, 1998).

The two states not using identical language still make it clear that false or fictitious names are not acceptable. Alaska's law states "... nor may the person use a name other than the person's true name ..." <sup>9</sup> and Connecticut law states that a license will be suspended "when the false statement refers to the name ... of the applicant ..." <sup>10</sup> At least one state (North Carolina) makes a specific exception for law enforcement personnel who are on special undercover assignments to receive drivers' licenses with "assumed names." <sup>11</sup>

New York was not identified in the above computer search. However, a telephone call to the New York Department of Motor Vehicles confirmed that a marriage license or court order must be presented to obtain a change of name in that state. <sup>12</sup> Texas also requires presentation of a marriage license or court order. <sup>13</sup>

Here is what DMV officials in other states had to say about California's fictitious name policy:

"You can't choose who you want to be in New York."

--William Achcet, New York DMV spokesperson

"The use of fictitious names makes a mockery of the system."

--Randy Campbell, manager, Utah Driver License Division <sup>14</sup>

According to Clark Holloway, manager, Washington DMV Licensing Services, a new state law, "The Name of Record Act", takes effect July 1, 1998 and will require presentation of various personal documents by any person who wishes to have his or her name changed on a driver's license.

### Interpreting the statutes

The statutes in the *Vehicle Code* relating to names on drivers' licenses are ambiguous:

- ❑ The DMV uses Section 12800(a) as its authority to allow the use of fictitious names. That section states that an application for a driver's license must include the applicant's "true full name." The DMV interprets this provision to mean that the "true full name" does not need to appear on the actual license.
- ❑ Section 12811 states that the "name" of the applicant must appear on the license but does not specify that it must be the "true full name."

It appears the primary difference between California's practice and the states identified above is a matter of interpretation of the language. California law requires the "true full name" on the application for a driver's license and the DMV interprets this to mean that the true full name need not appear on the license itself. Other states interpret this language differently to mean the true full name must also appear on the license.

In May 1996 the AAMVA released model legislation regarding the issuance of a driver's license. This proposal clearly opposed California's current fictitious name policy by requiring a person who wants a name change to present a court order, divorce decree, marriage license or an affidavit.

### **THUMBPRINT REQUIREMENT**

---

<sup>9</sup> *Alaska Stat. Sec. 28.35.135*

<sup>10</sup> *Conn. Gen. Stat. Sec. 14-11*

<sup>11</sup> *N.C. Gen. Stat. Sec. 20-39 (h)*

<sup>12</sup> Telephone interview with William Achcet, New York Department of Motor Vehicles, February 13, 1998

<sup>13</sup> Telephone interview with Judy Siebert, Texas Department of Motor Vehicles, February 12, 1998

<sup>14</sup> Utah will not allow women to retain their maiden name after marriage.

California, Texas, Colorado and Georgia are the only states in the nation requiring thumbprints or fingerprints from applicants seeking a driver's license, but prints are "checked" only if fraud is suspected. According to a DMV representative, if thumbprints were automatically verified before issuance of licenses, "This would go a long way to eliminate fraudulent applications for duplicates."<sup>15</sup> Inspector Tom Perdue, Fraud Division of the San Francisco City Police Department agrees, stating that fictitious drivers' licenses create a "major problem" for anyone who accepts checks or credit cards.<sup>16</sup> Inspector Perdue stated that a fingerprint scan, which takes approximately two seconds, would eliminate an enormous amount of fraud in California.

The DMV digitally stores both thumbprints and photos of licensees. The department has the ability to scan the photos to make a comparison but does not have the ability to scan the thumbprints. The DMV originally adopted the thumbprint requirement because physical appearances can change significantly, especially for those licensees who renew their licenses by mail and use photos that may be 12 or 15 years old. The DMV's authority for requiring thumbprints is *California Vehicle Code Section 12800(c)*.

The DMV has advised that technicians spend approximately eight seconds to take the thumbprint of an applicant, and the total cost of taking and storing thumbprints in California is currently 74 cents.<sup>17</sup>

## **INTERNAL INVESTIGATIONS LEAD TO EMPLOYEE TERMINATIONS**

In July 1997 the Joint Legislative Staff Task Force reported that over 200 DMV employees were the subject of an internal department investigation aimed at rooting out fraud. Some employees were receiving cash payments in return for issuing CDLs to people using fake identification documents. From January 1996 through March 1998, the DMV fired 51 of its employees for their involvement in illegal CDL activities. An additional 27 employees were fired for other violations of DMV procedures during the period January 1997 through March 1998. The total number of department employees subject to disciplinary action, including those fired, is 159 during the two-plus year period. In fact, 74 out of 171 DMV offices have been touched by illegal employee activities.

A DMV spokesperson says that the department has filed criminal charges against every employee fired for CDL fraud; however, in the majority of cases the district attorneys of jurisdiction have not prosecuted the terminated employees.

DMV fraud investigators indicate that an intense internal sweep of the department has nabbed the "stupid ones," but that a few "smart ones" have avoided detection to this point.

The primary motive behind employee CDL fraud is money. Some of these workers earned less than \$25,000 per year while they were entrusted with issuing a document that commands as much as \$1,400 on the street, according to DMV investigators. On the

---

<sup>15</sup> Fax from Bill Cather dated March 2, 1998

<sup>16</sup> Telephone interview with Inspector Tom Perdue, Fraud Division, San Francisco City Police, on February 27, 1998

<sup>17</sup> Letter from Bill Cather dated March 4, 1998

other hand, “ringers” using fake documents have been selling packages (fake birth certificate, Social Security number and license) for as little as \$100.

Despite the record of employee fraud, the DMV does not conduct background checks on job applicants or employees who would be, or are in, positions similar to those held by DMV employees fired for committing CDL fraud. In fact, the DMV failed to check the background of its top investigator who recently resigned his position after it was revealed that he had gone through four personal bankruptcies.

## **CONCLUSION**

The reliability of documents that define a person is a complex issue, certainly one that has taxed DMV resources. The department’s immediate challenge is not the verification of Social Security numbers, but rather compliance with the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA). This federal law requires states to deny certain public benefits to illegal immigrants. Governor Wilson issued Executive Order W-135-96 (August 27, 1996) which directed state agencies to identify public benefits that meet PRWORA standards and to adopt regulations that would result in denial of those benefits to illegal aliens. DMV complied with the Governor’s order by issuing its proposed rules on March 6, 1998. The rules will become final on July 1, 1998 unless protests from affected licensees require public hearings to be held.

The DMV rules apply to commercial truck drivers and drivers of busses and ambulances as well as new and used car dealers. The license holder will have to prove to DMV that he or she is legally residing in the United States. The DMV will accept a certified copy of a United States birth certificate. This proposed policy is consistent with DMV’s acceptance of a birth certificate for Class C license applicants, including those who wish to use a fictitious name. However, a 1995 report by the Advisory Voter Task Force to Secretary of State Bill Jones warns that the birth certificate should not be used to prove legal residency; furthermore, the SSA does not accept the birth certificate as proof of identity. In brief, the proposed DMV rules would appear to have a weak link in allowing birth certificates as an identifier of legal residency.

While there may be hearings held on DMV’s proposed rules, it would behoove the Legislature to conduct extensive hearings on the appropriateness of personal identification documents accepted by DMV. Additionally, lawmakers may want to assess the dynamic of the California driver’s license’ growing popularity as a valid form of identification.

APPENDIX A

**LIST OF STATES REQUIRING SOCIAL SECURITY NUMBERS  
ON DRIVER'S LICENSE APPLICATIONS**

State	Contact No.	SSN Requirement
Arizona	Tech Support 602-255-8152	Requires letter from SSA or SS card; does not verify with SSA
Delaware	Art Erickson 302-739-5669	Currently faxes questionable SSNs to SSA for verification; computer system to verify with SSA will be working within 2 years
Georgia	404-657-9300	Phone always busy (tried 4 times a day for three days; also called Directory Assistance for another number but was referred to this number)
Hawaii	Gail 808-532-7700	Requires SS card; does not verify with SSA
Iowa	515-237-3153	Requires SS card, pay stub or bank statement; does not verify with SSA
Kentucky	502-766-5001	Requires SS card; does not verify with SSA
Louisiana	504-925-6388	"Pat" first advised SSN was optional, then "just remembered" it is required. I asked for supervisor and they were all "busy." Then suggested I try (504) 925-4089 but line is always busy. (Tried both numbers several more times but lines were always busy.)
Massachusetts	David Lewis, Head of Management Information System 617-351-9000	Until recently, had been sending daily batches of SSNs to SSA via computer for verification. Now are in the process of going on-line with SSA to verify the numbers, so are not verifying at the moment. Said there is a method of checking number sequences with produces fairly good results. When numbers were submitted to SSA, less than 1% were wrong.
Mississippi	Mr. Jenkins 601-987-1332	Requires letter from SSA or SS card; does not verify with SSA
Missouri	Dept of Rev 573-751-4600	Requires SS card, W2 form or pay stub; only verifies if number is questionable
Montana	Bonnie 406-586-5560	Requires SS card; does not verify with SSA
Nevada	702-687-3080	Requires SS card or proof of SSN; only verifies if number is questionable (Faxes number to SSA in Reno to verify)
Ohio	614-752-7819	Requires SS card; does not verify with SSA
Virginia	804-367-8171	Applicants fill in SSN, no proof required; does not verify with SSA
DC	Mitchell Dennis 202-727-6680	Requires SS card or pay stub; do not currently verify with SSA but will in future when new computer system is installed